

IN THE UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

IN RE:

Saibaba Hotels, LLC,  
82-2535240  
7417 Hidden Cove Lane  
Frisco, TX 75034

Debtor.

Case No.: 23-40703

Chapter: 11

DEBTOR'S SUBCHAPTER V STATUS REPORT  
[11 U.S.C. § 1181(c)]

TO THE HONORABLE UNITED STATES BANKRUPTCY COURT:

COMES NOW Saibaba Hotels, LLC, Debtor and Debtor in possession in the above-styled and numbered case (the "Debtor"), would respectfully show the Court as follows:

I. BACKGROUND

1. This case was commenced by the filing of a voluntary petition under Chapter 11 of the United States Bankruptcy Code on May 24, 2023 (the "Petition Date").

2. This case was commenced as a small business case as that phrase is defined in 11 U.S.C. § 101(51C).

3. The First Meeting of Creditors was held and concluded on **May 19, 2023**.

4. Scott Seidel is the duly appointed SubChapter V Trustee in this bankruptcy pursuant to 11 U.S.C. § 1183 ("SubV Trustee").

## II. DEADLINES

5. Sections 1181-1195 of Title 11 of the United States Code ("SBRA") is intended to "streamline the process by which small business debtors reorganize and rehabilitate their financial affairs." Report of Committee on the Judiciary, House of Representatives, Report 116-171, 116th Cong., 1st Sess., on Small Business Reorganization Act of 2019, page 1. As such, there are certain deadlines that must be achieved, which deadlines may be extended only if "the need for an extension is attributable to circumstances for which the debtor should not justly be held accountable." *See e.g.* 11 U.S.C. §§ 1188(b) (court status conference within 60 days of the petition date), 1188(c) (debtor shall file and serve a report on efforts undertaken to obtain a consensual plan 14 days prior to the § 1188(b) status conference), and 1189(b) (debtor shall file a plan within 90 days of the petition date).

6. The Court, in accord with the foregoing, filed a notice setting a date for the required status conference thereby establishing the deadline for filing and serving this Report [Docket Entry No. 20].

7. The Section 1188 and 1189 dates and deadlines are as follows:

Status Conference: June 13, 2023

Debtor's Report: May 30, 2023

Plan filing deadline: July 24, 2023

8. The deadlines for filing proofs of claim remain unaltered and are as follows:

Deadline for non-governmental entities: July 3, 2023

Deadline for governmental entities: October 23, 2023

#### IV. PROFIT & LOSS

9. The Debtor operates a Motel doing business as *America's Best Value Inn* located in Gun Barrel City, Texas. The Debtor has no financial challenges relative to operations and is current with all vendors and its mortgage obligation with Pilgrim Bank.

10. The Debtor is currently in litigation with Coture Hotel Corporation, which litigation is currently pending in the District Court, Dallas County, Texas, 69<sup>th</sup> Judicial District and is styled as *Coture Hotel Corporation vs. Saibaba Hotels, LLC, et al*, Cause No. 19-0550 (the "Lawsuit").

11. The proposed plan terms (*infra*) assume there will be significant equity in the real property owned by the Debtor which equity, in combination with the Debtor's disposable income will be sufficient to fund a plan of reorganization.

12. Attached as Exhibit "A" is a copy of the Debtor's profit and loss statement as filed with this Court on May 11, 2023 [Docket Entry No. 26].

#### V. OFFER TO ACHIEVE CONSENSUAL PLAN OF REORGANIZATION

13. One of the objectives of SBRA is to facilitate a consensual plan of reorganization by and between the debtor and her creditors. This Report is filed and served upon all interested parties in an effort to achieve that goal.

#### VI. PLAN PROPOSAL

14. The following is the Debtor's initial plan proposal for its creditors and is subject to Federal Rule of Evidence 408.

**A. Summary of Proposed Plan Treatment**

**Unclassified Administrative Expense Claims:**

Type	Estimated Amount	Treatment
Professional Fees of DeMarco Mitchell, PLLC	\$15,000.00	Monthly, after the effective date, in an amount to be agreed upon.
SubV Trustee	\$3,500.00	Monthly, after the effective date, in an amount to be agreed upon.

**Priority Tax Claims:**

Description	Estimated Amount	Date Assessed	Treatment
None	n/a	n/a	n/a

**Secured Claims:**

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u>	<u>METHOD OF PAYMENT</u>	<u>ESTIMATED ALLOWED CLAIM</u>	<u>ESTIMATED DISTRIBUTION</u>
Class 1A	Secured <i>Ad Valorem</i> Tax Claims	YES	If monies are owed, paid in full and amortized over 5 years from the Petition Date at 12%	\$0.00	\$0.00
Class 1B	Saisbarath Family Holdings, LLC	YES	Paid in full over 5 years from the Effective Date at prime plus 1%	\$1,230,603.11	\$9,900.00 per month for 360 months

**General Unsecured Claims:**

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u>	<u>METHOD OF PAYMENT</u>	<u>ESTIMATED TOTAL CLAIMS</u>	<u>ESTIMATED DISTRIBUTION</u>
Class 3	General Unsecured Claims	YES	Pro Rata distribution from unsecured creditor pool	\$1,040,000 <sup>1</sup>	100% of proceeds from refinance of secured loan with Saisbarath Family Holdings, LLC, such that distributions

<sup>1</sup> Debtor assumes damage claim to Couture will not exceed \$1,000,000.

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u>	<u>METHOD OF PAYMENT</u>	<u>ESTIMATED TOTAL CLAIMS</u>	<u>ESTIMATED DISTRIBUTION</u>
					will meet or exceed the amount of equity in the real property owned by the Debtor if case is converted to one under chapter 7.

## VII. CONCLUSION

The Debtor is asking you to consider the foregoing proposal and provide feedback in order to facilitate the confirmation of a consensual plan. As referenced above, there is a mandatory status conference scheduled for **June 13, 2023**. As such, **the Debtor requests your input, if any, no later than close of business on June 9, 2023.**

Respectfully submitted,

Dated: **May 30, 2023**

/s/ Robert T. DeMarco

**DeMarco•Mitchell, PLLC**

Robert T. DeMarco, Texas Bar No. 24014543

**Email** robert@demarcomitchell.com

1255 W. 15<sup>th</sup> Street, 805

Plano, TX 75075

**T** 972-578-1400

**F** 972-346-6791

**Counsel for Debtor and Debtor in Possession**

## CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that true and correct copies of the foregoing pleading and all attachments were served upon all parties listed below in accordance with applicable rules of bankruptcy procedure on this **30<sup>th</sup> day of May, 2023**. Where possible, service was made electronically via the Court's ECF noticing system or via facsimile transmission where a facsimile number is set forth below. Where such electronic service was not possible, service was made via regular first class mail.

### **DEBTOR**

**Saibaba Hotels, LLC,**  
7417 Hidden Cove Lane

Frisco, TX 75034

**TRUSTEES**

**Office of the United States Trustee**  
110 North College Avenue, Room 300  
Tyler, Texas 75702

**Scott Seidel (SBRA V)**  
Sub V Chapter Trustee  
6505 West Park Boulevard, 306  
Plano, TX 75093

**ADDITIONAL PARTIES IN INTEREST AND/OR PARTIES REQUESTING NOTICE**

**SEE ATTACHED MATRIX**

*/s/ Robert T. DeMarco*

**DeMarco•Mitchell, PLLC**

Robert T. DeMarco, Texas Bar No. 24014543

**Email** robert@demarcomitchell.com

Michael S. Mitchell, Texas Bar No. 00788065

**Email** mike@demarcomitchell.com

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IN RE:

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7417 Hidden Cove Lane  
Frisco, TX 75034

**Debtor.**

**Case No.: 23-40703**

**Chapter: 11**

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**STATEMENT OF OPERATIONS RE: 11 U.S.C. § 1116**

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The following document is attached pursuant to 11 U.S.C. § 1116:

- Statement of Operations.

Respectfully submitted,

Dated: May 11, 2023

/s/ Robert T. DeMarco

**DeMarco•Mitchell, PLLC**

Robert T. DeMarco, Texas Bar No. 24014543

**Email** robert@demarcomitchell.com

Michael S. Mitchell, Texas Bar No. 00788065

**Email** mike@demarcomitchell.com

1255 W. 15<sup>th</sup> Street, 805

Plano, TX 75075

**T** 972-578-1400

**F** 972-346-6791

**Proposed Counsel for Debtor and Debtor in Possession**

EXHIBIT "A"

## Saibaba Hotels LLC

## Profit and Loss

January - December 2022

	TOTAL
Income	
Credit Card Reward Points	3,574.15
Room Revenue	929,411.87
<b>Total Income</b>	<b>\$932,986.02</b>
Cost of Goods Sold	
American Express Commission	7,283.06
Break Fast Expenses	38,069.33
County Occupancy Tax (deleted)	17,500.96
Franchise Fees	30,458.21
State occupancy tax (deleted)	28,950.36
Travel Commision	10,086.85
<b>Total Cost of Goods Sold</b>	<b>\$132,348.77</b>
<b>GROSS PROFIT</b>	<b>\$800,637.25</b>
Expenses	
Advertising & Marketing	25,024.00
Bank Charges & Fees	-28,899.65
BOFA Merchant Charges	26,796.32
Contractors	32,281.43
Credit Charge Backs	2,364.07
Employee Payroll	155,803.76
Guest Supply Charges	36,913.46
HD SUPPLY	87,563.35
Insurance	35,482.80
Interest Paid	62,824.02
Legal & Professional Services	239.94
Meals & Entertainment	5,135.03
Office Supplies & Software	5,444.63
Payroll Processing Expenses	2,994.66
Payroll Tax	34,558.88
Payroll Tax-TWC	900.97
Property Tax	43,901.22
Repairs & Maintenance	51,822.16
Room Supply	81,055.50
Travel	6,713.56
Utilities	107,472.38
<b>Total Expenses</b>	<b>\$776,392.49</b>
<b>NET OPERATING INCOME</b>	<b>\$24,244.76</b>
<b>NET INCOME</b>	<b>\$24,244.76</b>



Label Matrix for local noticing

ANAND SYSTEMS, INC.

ATT

0540-4

35 E 10th St.

208 S. Akard St.

Case 23-40703

Tracy, CA 95376-4058

Dallas, TX 75202-4295

Eastern District of Texas

Sherman

Tue May 30 16:13:07 CDT 2023

Anuradha Puligundla

Attorney General of the United States

Booking.com

7417 Hidden Cove Ln.

Main Justice Bldg., Rm. 5111

28 Liberty St FL 29

Frisco, TX 75034-0682

10th &amp; Constitution Ave. N.W.

New York, NY 10005-1499

Washington, DC 20503-0001

Brightspeed

COMMUNITY COFFEE

Mark A. Castillo

1120 South Tryon Street

12120 Colonel Glenn Rd, Ste 2000

Carrington Coleman Sloman &amp; Blumenthal,

Charlotte, NC 28203-6817

Little Rock, AR 72210-2838

901 Main Street

Ste 5500

Dallas, TX 75202-3767

Centurylink Communications, LLC

Couture Hotel Corporation

Couture Hotel Corporation

Centurylink Communications, LLC.

c/o Justin Strother

c/o Justin Strother

1025 El Dorado Blvd. (Attn:Legal-BKY)

909 Fannin Street, 37th Floor

Strother Law Firm

Broomfield, CO 80021-8254

Houston, Texas 77010-1014

3000 Wesleyan St. Ste. 348

Houston, TX 77027-5753

DFW MOTEL SUPPLY TEXTILE

DIRECTV SERVICE

Robert DeMarco III

4220 Shilling Way

2230 E Imperial Hwy Fl 10

DeMarco-Mitchell, PLLC

Dallas, TX 75237-1023

El Segundo, CA 90245-3502

1255 West 15th St., 805

Plano, TX 75075-7225

EAST CEDAR CREEK WATER DIRECT

EAST CEDAR CREEK WATER DIRECT

Eco Lab

115 Hammer R.

115 Hammer Rd,

2305 Sherwin St.

Gun Barrel City, TX 75156-5220

Gun Barrel City, TX 75156-5220

Garland, TX 75041-1299

Expedia

Expedia Group

FERRELL GAS LP

1111 Expedia Group Wy W

1111 Expedia Group Way W.

161 Eldorado Pkwy

Seattle, WA 98119-1111

Seattle, WA 98119-1111

McKinney, TX 75069

Henderson County

Henderson County Occupancy Tax

Henderson County Property Tax

c/o Julie Parsons

125 N. Prairieville St., Suite 103

125 N. Prairieville St., Suite 103

P.O. Box 1269

Athens, TX 75751-2070

Athens, TX 75751-2070

Round Rock, TX 78680-1269

Internal Revenue Service

Internal Revenue Service

Internal Revenue Service

1100 Commerce Street

Central Insolvency Operations

Centralized Insolvency Operations

MC5026 DAL

PO Box 7346

PO Box 7346

Dallas, TX 75242

Philadelphia, PA 19101-7346

Philadelphia, PA 19101-7346

Internal Revenue Service

JPMorgan Chase Bank, N.A.

Kaufman County

P.O. Box 7346

s/b/m/t Chase Bank USA, N.A.

Linebarger Goggan Blair &amp; Sampson, LLP

Philadelphia, PA 19101-7346

c/o National Bankruptcy Services, LLC

c/o John Kendrick Turner

P.O. Box 9013

2777 N. Stemmons Freeway

Addison, Texas 75001-9013

Suite 1000

Dallas, TX 75207-2328

Kaufman County Property Tax  
P.O. Box 339  
Kaufman, TX 75142-0339

Joshua D Kipp  
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1025 ELDORADO BLVD.  
Broomfield, TX 80021-8254

Level3 Communications  
1025 ELDORADO BLVD.  
Broomfield, CO 80021-8254

Muni Services LLC  
TX Hotel Occupancy Tax  
PO Box 830725  
Birmingham, AL 35283-0725

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Bankruptcy-Collections Division  
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Tyler, TX 75702-7231

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Dallas, TX 75206-1027

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McCreary Veselka Bragg & Allen PC  
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Pilgrim Bank  
c/o Scott Ritcheson  
Ritcheson, Lauffer & Vincent, P.C.  
821 ESE Loop 323, Ste. 530  
Tyler, TX 75701-9779

Pilgrim Bank  
2401 South Jefferson Ave.  
Mount Pleasant, TX 75455-5960

REPUBLIC SERVICES TRASH  
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Lewisville, TX 75057-4077

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Ste. 306  
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Allentown, PA 18109-9554

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Tyler, TX 75702-7231

Sonesta Intl.  
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Newton, MA 02458-2094

TACS  
5420 LBJ Freeway, Suite 900  
Dallas, TX 75240-6284

TARA ENERGY  
PO Box 301438  
Dallas, TX 75303-1438

TKELEVATOR CORP  
4355 Excel Pkwy, Ste 800  
Addison, TX 75001-5605

Texas Alcoholic Beverage Commission  
License and Permits Division  
Po Box 13127  
Austin, TX 78711-3127

(p)TEXAS COMPTROLLER OF PUBLIC ACCOUNTS  
REVENUE ACCOUNTING DIV - BANKRUPTCY SECTION  
PO BOX 13528  
AUSTIN TX 78711-3528

Texas State Comptroller  
Texas Attorney General  
PO Box 12548  
Austin, TX 78711-2548

Texas Workforce Commission  
101 E. 15th Street, Rm 556  
Austin, TX 78778-0001

Texas Workforce Commission  
TEC Building - Bankruptcy  
101 E 15th St  
Austin, TX 78778-1442

The County of Henderson, Texas  
c/o McCreary, Veselka, Bragg & Allen  
P.O. Box 1269  
Round Rock, TX 78680-1269

John Kendrick Turner  
 Linebarger Goggan Blair & Sampson, LLP  
 2777 N. Stemmons Freeway  
 Suite 1000  
 Dallas, TX 75207-2328

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 Department of Justice  
 Main Justice Building  
 10th & Constitution Ave., NW  
 Washington, DC 20530-0001

(p)HUD OGC REGION VI  
 TIMOTHY E FEELEY  
 307 W SEVENTH ST SUITE 1000  
 FT WORTH TX 76102-5108

U.S. Dept. of Veterans Affairs  
 Regional Office, Finance Section (24)  
 701 Clay Ave  
 Waco, TX 76799-0001

U.S. Securities & Exchange Comm.  
 Fort Worth Regional Office  
 801 Cherry St Ste 1900 Unit 18  
 Fort Worth, TX 76102-6819

U.S. Small Business Administration  
 150 Westpark Way Ste 130  
 Euless, TX 76040-3705

US Trustee  
 Office of the U.S. Trustee  
 110 N. College Ave.  
 Suite 300  
 Tyler, TX 75702-7231

United States Attorney  
 110 North College Ave. Ste. 700  
 Tyler, TX 75702-0204

Williams Pest Control  
 1428 S 3rd St.  
 Mabank, TX 75147-7580

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g) (4).

Texas Comptroller of Public Accounts  
 Bankruptcy Section  
 Po Box 13528  
 Austin, TX 78711-3528

U.S. Department of HUD  
 307 W. 7th Street Suite 1000  
 Fort Worth, TX 76102

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(d)ANAND SYSTEMS INC  
 35 E 10th St.  
 Tracy, CA 95376-4058

(d)ATT  
 208 S. Akard St.  
 Dallas, TX 75202-4295

(d)Booking.com  
 28 Liberty St FL 29  
 New York, NY 10005-1499

(d)Brightspeed  
 1120 South Tryon Street  
 Charlotte, NC 28203-6817

(d)COMMUNITY COFFEE  
 12120 Colonel Glenn Rd, Ste 2000  
 Little Rock, AR 72210-2838

(d)DFW MOTEL SUPPLY TEXTILE  
 4220 Shilling Way  
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(d)DIRECTV SERVICE  
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 El Segundo, CA 90245-3502

(d)Eco Lab  
 2305 Sherwin St.  
 Garland, TX 75041-1299

(d)FERRELL GAS LP  
 161 Eldorado Pkwy  
 McKinney, TX 75069

(d)Kaufman County  
 Linebarger Goggan Blair & Sampson, LLP  
 c/o John Kendrick Turner  
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 Suite 1000  
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 TX Hotel Occupancy Tax  
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 Birmingham, AL 35283-0725

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Dallas, TX 75206-1027

(u)Anuradha Puligundla

Document Page 12 of 12

(d)REPUBLIC SERVICES TRASH  
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Plano, TX 75093-6212

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Allentown, PA 18109-9554

(d)Sonesta Intl.  
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Newton, MA 02458-2094

(d)TKELEVATOR CORP  
4355 Excel Pkwy, Ste 800  
Addison, TX 75001-5605

(d)Tara Energy  
P.O. Box 301438  
Dallas, TX 75303-1410

End of Label Matrix  
Mailable recipients 68  
Bypassed recipients 21  
Total 89